MT LEGISLATIVE HISTORY

Chapter 165 1979

Bill H ____ (S) 259 Original bill & hist. ✓ C

H. Committee on Local Government

Hearing Date(s) MAR 01 ✓ C

____ ____ C

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Date Out ____ ____ C

S. Committee on Local Government

Hearing Date(s) FEB 06 ✓ C

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Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____ Report _____

CHAPTER NO. 105

SENATE BILL NO. 257

INTRODUCED BY THIESSEN, KVAALEN, OLSON, DAY, WOOD, E. SMITH, H. ROBBINS, WILLIAMS, WYRICK, K. ROBBINS

IN THE SENATE

| | |
|---|---|
| January 25, 1979 | Introduced and referred to Committee on Local Government. |
| February 7, 1979 | Committee recommend bill do pass. Report adopted. |
| February 8, 1979 | Printed and placed on members' desks. |
| February 9, 1979 | Second reading, do pass. |
| February 10, 1979 | Considered correctly engrossed. |
| February 12, 1979 | Third reading, passed. Transmitted to second house. |

IN THE HOUSE

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|---|---|
| February 13, 1979 | Introduced and referred to Committee on Local Government. |
| March 2, 1979 | Committee recommend bill be concurred in. Report adopted. |
| March 5, 1979 | Second reading, concurred in. |
| March 7, 1979 | Third reading, concurred in. |

IN THE SENATE

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|---|---|
| March 8, 1979 | Returned from second house. Concurred in. Sent to enrolling. |
| | Reported correctly enrolled. |

Senate BILL NO. 257

INTRODUCED BY Thiessen Kvaalen Olson Day Wood Wyrick E. Smith H. Robbins Williams K. Robbins

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT A BOARD OF COUNTY COMMISSIONERS MAY ALLOCATE TO THE COUNTY ROAD FUND 50% OF THE PROCEEDS FROM LEASES BY THE COUNTY OF OIL AND GAS INTERESTS; AMENDING SECTION 7-8-2306, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Allocation of proceeds of oil and gas leases and reserved royalty interests to county road fund. Each board of county commissioners may allocate to the county road fund not more than 50% of the proceeds from oil and gas leases entered into and royalty interests reserved under Title 82, chapter 10, part 2.

Section 2. Section 7-8-2306, MCA, is amended to read:

"7-8-2306. Distribution of sale and lease proceeds. The proceeds of every sale or lease under this part or part 25 shall be paid over to the county treasurer, who shall apportion and distribute the same in the following manner:

(1) (a) Upon a sale of such property, the proceeds of each sale up to the amount of $10 shall be credited to the county general fund to reimburse such for expenditures made therefrom in connection with the procurement of the tax deed and holding of the sale.



(b) Upon a sale of the property, if there be any amount remaining of such proceeds after the payment of the amount specified in subsection (1)(a) and such remainder is:

(i) in excess of the aggregate amount of all taxes and assessments accrued against such property for all funds and purposes, without penalty and interest, then so much of such remaining proceeds shall be credited to each fund or purpose as the same would have received had such taxes been paid before becoming delinquent, and all excess shall be credited to the general fund of the county; or

(ii) is less in amount than the aggregate amount of all taxes and assessments accrued against such property for all funds and purposes, without penalty or interest, such proceeds shall be prorated between such funds and purposes in the proportion that the amount of taxes and assessments accrued against such property for each such fund or purpose bears to the aggregate amount of taxes and assessments accrued against such property for all funds and purposes.

(2) Whenever tax-deed lands have been sold and the county has reserved a royalty interest, any sums of money received from such royalty interest shall be credited to the general fund of the county except that the board of county commissioners may allocate to the county road fund not more than 50% of the money received from reserved royalty interests.



SB 257
INTRODUCED BILL

1 (3) Upon a lease of the property, except as otherwise
2 provided, the amount received as rent, royalty, or
3 otherwise, including interest received on the payments under
4 either a sale or lease, shall be apportioned on the current
5 year's levy and shall be credited as earnings of tax-deed
6 property and not considered as a credit to tax-deed accrued
7 accounts as in the case of the principal received from sales
8 of tax-deed lands."

-End-

LOCAL GOVERNMENT COMMITTEE

__ Legislature

| Bill No. | Subject Matter | Date In | Sponsor | Hearing Date | Committee Action | Date Out |
|---|---|---|---|---|---|---|
| ~~SB 106~~ | ~~Salary increases for pro-~~ bation officers & deputy probation officers | 2/13/79 | BROWN | | moved from committee | |
| SB 257 | Allow Board of County Commissioners to allocate to the county road fund 50% of funds from gas and oil leases | 2/13/79 | THIESSEN | Thursday March 1 12:30 pm | CONCURRED IN | 3/1/79 |
| SB 263 | Revise cost limits on underground placement of utilities | 2/13/79 | RASMUSSEN | Thursday March 8 | AND AS AMENDED BE CONCURRED IN | 3/15/79 |
| SB 264 | County to control and license dogs by enacting an ordinance... | 2/13/79 | BOYLAN | Thursday March 1 12:30 pm | AS AMENDED CONCURRED IN | 3/1/79 |
| SB 267 | Clarify code of ethics relating to local government officers and employees... | 2/13/79 | LOWE | Thursday March 8 | BE NOT CONCURRED IN | 3/15/79 |
| HB 851 | Provide for clarification of altering existing forms of governments | 2/17/79 | SPILKER | 2/19/79 | DO PASS | 2/20/79 |

MARCH 1, 1979
PROCEEDINGS OF THE
LOCAL GOVERNMENT COMMITTEE
HOUSE OF REPRESENTATIVES
46th Session

A meeting of the Local Government Committee of the House of Representatives was called to order on March 1, 1979, and 12:30 p.m., by Vice Chairman Arlyne Reichert in the absence of Chairman Hershel Robbins. The secretary called the roll and found a majority of members present. Those absent were Representatives Gould, Kemmis, Moore, Sales, South, Waldren and Robbins.

SENATE BILL 257: The bill was introduced by Senator Thiessen, District 27. Senator Thiessen stated that in eastern Montana counties are having a problem with having enough road taxes. The counties do have oil property, some have oil wells and some have oil leases. The bill would allow these funds to go into the general fund of these counties. They currently have no way of getting these funds allotted toward the road funds. This bill would allow them to divert 50% of the oil tax money to the road fund. He felt this would help take care of their problems.

Proponents were then called for.

Dean Zennicker, of the Montana Association of Counties, stated they were in favor and felt this would be very helpful to the counties.

There were no opponents present.

There were then a few short questions from committee members.

The committee then agreed to take executive action at this time since there were no opponents.

It was then moved by Representative Hurwitz that Senate Bill 257 be concurred in. It was seconded by Representative Oberg. Question was called and all voted "aye." The motion carried.

SENATE BILL 237: The bill was introduced by Senator Van Valkenburg. He stated the bill requests that the state pay the entire cost of construction of highways in areas that go through city limits. They would also be responsible for maintenance of streets in these areas; however, they would not have maintenance of the sidewalks. He stated fiscal impact would be $45,000. The cities currently pay one-half the cost of the curbing of these streets. He stated he had talked with highway officials and they had

46 th LEGISLATIVE SESSION

COMMITTEE ON LOCAL GOVERNMENT -- SENATE BILLS

| SENATE BILL NO. | ENTERED COMM. | DATE CONSIDERED | OUT OF COMM. | DO PASS DATE | DO NOT PASS DATE | DO PASS AS AMEND. DATE | BE CON-CURRED IN DATE | BE CONC. IN AS AMENDED DATE | BE NOT CON-CURRED IN DATE |
|---|---|---|---|---|---|---|---|---|---|
| SB 102 | 1-15 | 1-25;1-27 | 1-27 | | 1-27 | | | | |
| SB 106 | 1-16 | 2-3;2-6 1-23;1-25 | 2-6 | 2-6 | | | | | |
| SB 135 | 1-16 | 1-23;1-25 1-27 | 1-27 | | | 1-27 | | | |
| SB 143 | 1-17 | 1-27 | 1-27 | | 1-27 | | | | |
| SB 143 | 1-29 | | | | | | | | |
| SB 206 | 1-24 | 2-1;2-17 | 2-17 | | 2-17 | | | | |
| SB 216 | 1-24 | 1-30 | 1-30 | | 1-30 | | | | |
| SB 229 | 1-24 | 2-1;2-6 2-13 | 2-13 | | | 2-13 | | | |
| SB 237 | 1-26 | 1-30 | 1-30 | | | 1-30 | | | |
| B 257 | 1-25 | 2-6 | 2-6 | 2-6 | | | | | |
| B 263 | 1-26 | 2-3 | 2-3 | 2-3 | | | | | |
| B 264 | 1-26 | 2-3 | 2-3 | | | 2-3 | | | |
| B 267 | 1-26 | 2-6 | 2-6 | 2-6 | | | | | |
| 269 | 1-26 | 2-3;2-6 | | | | | | | |
| 275 | 1-29 | 2-8;2-10 2-17 | 2-17 | | 2-17 | | | | |
| 290 | 1-29 | 2-8;2-13 2-17 | 2-17 | | | 2-17 | | | |
| 305 | 1-31 | 2-7 | 2-7 | 2-7 | | | | | |

[illegible] Senate House Bills and Resolutions

MINUTES OF THE MEETING
LOCAL GOVERNMENT COMMITTEE
MONTANA STATE SENATE

February 6, 1979

The meeting of the Local Government Committee was called to order by Chairman, George McCallum on February 6, 1979, at 12:30 in Room 405 of the State Capitol Building.

ROLL CALL: All members were present with the exception of Senator Lockrem who was excused.

Dennis Taylor, Staff Researcher, was also present.

Several visitors were also in attendance. (See attachment.)

CONSIDERATION OF SENATE BILL 257: Senator Cornie R. Thiessen, of Senate District 27, chief sponsor of Senate Bill 257, gave a brief resume of the bill. This bill is an act to provide that a board of county commissioners may allocate to the county road fund 50% of the proceeds from leases by the county of oil and gas interests. Senator Thiessen stated that this bill is very unique in the fact that it does not increase the taxes. He asked the Committee to take up to 50% for the road fund.

Andrew Peterson, Jr., Richland County Commission, stated his support of the bill and commented that their road fund is small. They received $100,000 in revenue sharing money last year. When the gas and oil royalties run out, so would the money.

Ben G. Nordell, mayor of Sidney, stood in support of Senate Bill 257, and asked the Committee to please pass this bill.

Mike Stephen, representing the Montana Association of Counties, stated that in many oil and gas counties, road levies are at a maximum. Oil and gas activities are a heavy burden on county roads, bridges and right of ways. Additional funds are necessary to keep roadways in good repair from the use of such heavy equipment. Senate Bill 257 would also assist in reducing the number of emergency funds from civil defense. (See attachment.)

Virgil Boehler, publisher of the Sidney newspaper, stated his support of the bill.

With no further proponents, Chairman McCallum called on the opponent. Hearing no opponent, Senator Theissen made the closing remarks. Senator Thiessen again commented on the unique thing about this bill; that it will not require any additional

taxes. The overall royalty money in 1977-1978 was $180,000.00. The royalty money so far this year is $46,000.00.

DISPOSITION OF SENATE BILL 257: A motion was made by Senator Watt and seconded by Senator Thomas that Senate Bill 257 be given a "DO PASS" recommendation from the Committee. Motion carried unanimously.

CONSIDERATION OF SENATE BILL 267: Senator William Lowe, of Senate District 33, sponsor of the bill, gave a brief resume. This bill is an act to revise and clarify the code of ethics relating to local government officers and employees. This bill is one of 12 bills being introduced which will correct problems in our laws relating to bond sales.

Tom Harrison, representing the D. A. Davidson Company, stated that he felt a code of ethics was necessary. He was definitely in support of the bill.

Bruce MacKenzie, legal counsel for D. A. Davidson, stated that this proposed legislation is seen as a cure for the problem in that it will allow an exemption from those statutes which would void or make a contract voidable where an official has a conflict of interest; provided, the official has disclosed the nature of the conflict in accordance with Montana's ethics statutes. (See attachment.)

Chairman McCallum called on the opponents, hearing none, he opened the meeting to a question and answer period from the Committee. Discussion was held.

DISPOSITION OF SENATE BILL 267: A motion was made by Senator Story that Senate Bill 267 receive a "DO PASS" recommendation from the Committee. Motion carried unanimously.

DISPOSITION OF SENATE BILL 269: This bill is regarding procedure for issuance of certain bonds.

Bruce MacKenzie, legal counsel for D. A. Davidson, stated this bill is just a simplified procedure.

Tom Harrison, representing the D. A. Davidson Company, commented that this bill will just expedite the processes.

Senator McCallum stated that he feels it is better to have the people involved.

A motion was made by Senator Story that Senate Bill 269 be given a "DO NOT PASS" recommendation by the Committee. Motion failed. (See attachment.)

SENATE _____ COMMITTEE

BILL _____ VISITORS' REGISTER DATE _____

Please note bill no.

| NAME | REPRESENTING | BILL # | (check one) SUPPORT | OPPO: |
|---|---|---|---|---|
| Mike Stephens | MT Assn of Counties | 257 | ✓ | |
| [illegible] | [illegible] | 257 | ✓ | |
| [illegible] | [illegible] | 257 | ✓ | |
| Virgil Bachler | Richland County | 257 | ✓ | |
| | | | | |
| Ben G. Forsell | Richland County | 257 | ✓ | |
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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

Date Feb 6

ROLL CALL

LOCAL GOVERNMENT COMMITTEE

46th LEGISLATIVE SESSION - 1979

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| GEORGE MCCALLUM, CHAIRMAN | ✓ | | |
| LLOYD LOCKREN, VICE CHAIRMAN | | | ✓ |
| MAX CONOVER | ✓ | | |
| JESSE A. O'HARA | ✓ | | |
| BOB PETERSON | ✓ | | |
| A. T. (TOM) RASMUSSEN | ✓ | | |
| PETE STORY | ✓ | | |
| BILL THOMAS | ✓ | | |
| ROBERT D. WATT | ✓ | | |
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Each Day Attach to Minutes.

SENATE

# STANDING COMMITTEE REPORT

February 6 19 79

MR. President:

We, your committee on Local Government

having had under consideration Senate Bill No. 257

Respectfully report as follows: That Senate Bill No. 257

DO PASS

Chairman.

STATE PUB. CO.
Helena, Mont.

NAME: BEN G. NORDELL DATE: 2/6/79

ADDRESS: Box 753

PHONE: 482-3212

REPRESENTING WHOM? Richland County

APPEARING ON WHICH PROPOSAL: Senate Bill 257

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: [illegible] DATE: _____

ADDRESS: Seattle

PHONE: _____

REPRESENTING WHOM? _____

APPEARING ON WHICH PROPOSAL: SB 257

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? _____

COMMENTS: [illegible]

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Michael Stephen DATE: 2-6-79

ADDRESS: 1802 11th Ave Helena

PHONE: 442-5209

REPRESENTING WHOM? MT Assoc. of Counties

APPEARING ON WHICH PROPOSAL: Senate Bill 257

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENTS: In many of the oil and gas counties road levies are at a maximum. Oil and gas activities are a heavy burden on county roads, bridges and right of ways. Additional funds are necessary to keep the roadways in good repair from the use of such heavy equipment.

Would also assist in reducing the number of ~~funds~~ emergency funds from civil defense.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE BILL NO. 257

INTRODUCED BY THIESSEN, KVAALEN, OLSON, DAY, WOOD, E. SMITH, H. ROBBINS, WILLIAMS, WYRICK, K. ROBBINS

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT A BOARD OF COUNTY COMMISSIONERS MAY ALLOCATE TO THE COUNTY ROAD FUND 50% OF THE PROCEEDS FROM LEASES BY THE COUNTY OF OIL AND GAS INTERESTS; AMENDING SECTION 7-8-2306, MCA."

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(ii) is less in amount than the aggregate amount of all taxes and assessments accrued against such property for all funds and purposes, without penalty or interest, such proceeds shall be prorated between such funds and purposes in the proportion that the amount of taxes and assessments accrued against such property for each such fund or purpose bears to the aggregate amount of taxes and assessments accrued against such property for all funds and purposes.

(2) Whenever tax-deed lands have been sold and the county has reserved a royalty interest, any sums of money received from such royalty interest shall be credited to the general fund of the county except that the board of county commissioners may allocate to the county road fund not more than 50% of the money received from reserved royalty



REFERENCE BILL

1 interests.

2 (3) Upon a lease of the property, except as otherwise
3 provided, the amount received as rent, royalty, or
4 otherwise, including interest received on the payments under
5 either a sale or lease, shall be apportioned on the current
6 year's levy and shall be credited as earnings of tax-deed
7 property and not considered as a credit to tax-deed accrued
8 accounts as in the case of the principal received from sales
9 of tax-deed lands."

-End-